(Rs. in crore)

2005-06	2006-07	2007-08 (upto Jan., 08)
549,940	696,805	795,280

RBI has further reported that the lending rates in India are comparable with other similarly placed countries like Brazil, South Africa, Indonesia, etc.

and (d) Do not arise in view of above.

National Mission for Financial Inclusion

3022. SHRIMATI MOHSINA KIDWAI:
SHRI VIJAY J.DARDA:

Will the Minister of FINANCE be pleased to state:

whether the Prime Minister's Economic Advisory Council has recommended for the creation of National Mission for Financial Inclusion to provide better access to institutional funds to low income households and individuals; and

if so, by when National Bank of Agriculture and Rural Development (NABARD) with an exclusive corpus of Rs. 500 crore would undertake operations towards setting up such a Financial Inclusion, Promotion and Development Fund, financial inclusion technology, etc.?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Committee on Financial Inclusion, set up under the chairmanship of Dr. C. Rangarajan, Chairman of the Prime Minister's Economic Advisory Council, has recommended Government of India to consider constituting a National Mission on Financial Inclusion (NaMFI) comprising representatives from all stakeholders. The purpose of the Mission is to achieve universal financial inclusion within a specified time frame.

The Committee has submitted its final report to the Government on 4th January, 2008. However, based on the recommendations of the interim report, the Government has constituted a Financial Inclusion Fund for meeting the cost of developmental and promotional interventions and a Financial Inclusion Technology Fund to meet the cost of technology adoption, each with an overall corpus of Rs. 500 crore, with initial funding to be contributed by the Central Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD).

Government of India and NABARD have made an initial contribution of Rs. 10 crore and Rs. 5 crore respectively, in each Fund in March, 2008. RBI is expected to contribute its matching share of Rs. 10 crore in each Fund shortly.

Loans to sugar mills

3032. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

whether the Reserve Bank of India has formulated any policy regarding grant of loans to the sugar mills on easy installments to bail out the sugar industry; and

if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a)-and (b) No, Sir. However, with a view to improve the liquidity position of sugar factories and to enable them to clear cane price arrears of farmers of 2006-07 and 2007-08 sugar seasons, the Government has notified a scheme for extending financial assistance to Sugar Undertakings, 2007. the scheme covers all sugar mills, which have been functional/were functional during 2006-07 and 2007-08 sugar season. The sugar mills classified as Non-Performing Asset (NPA) are also covered under the scheme, provided the State Government gives guarantee for their new loans. Loans are to be granted equivalent to the national Central Excise Duty payable on total production of sugar during 2006-07 and 2007-08 sugar seasons. The Central Excise duty is to be taken net of Sugar Cess. Full interest subvention is to be provided to all Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs) and Cooperative Banks for the total duration of the loan, *i.e.* 4 years including 2 years moratorium. The interest subvention is limited to 12% per annum of which 5% is to be met out of general budget provisions of the Central Government and the remaining 7% from the Sugar Development Fund. The scheme has already been implemented by the banks.

Payment of capital gains Tax by FIIs

3024. SHRIMATIBRTNDA KARAT: Will the Minister of FINANCE be pleased to state:

whether the Central Board of Direct Taxes (CBDT) has sought an amendment to the Income Tax Act so that all Foreign Institutional Investors (FIIs) pay capital gains tax on their profits in India;

if so, the section of the IT Act which prevents Government from collecting capital gains tax on FIIs' profits; and

the details of steps Government has taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. Taxation of capital gains of Foreign Institutional Investors is provided for in the Income Tax Act, 1961 read with the relevant Double Taxation Avoidance Agreement.

(b) and (c) In view of (a) above, does not arise.

Waving off loans of farmers

†3025. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

the number of farmers having land holdings of three acres, at present in the country;

the number of farmers out of them who have outstanding loan of banks and money lenders as well along with the amount of such loans separately, state-wise;

the amount made available to banks and financial institutions during the year 2007-08 and 2008-09 by Government for waiving off laons of the farmers and the names of districts with the number of farmers from such districts whose loans would be waived off; and

the steps being taken by Government to waive off the loans of remaining farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) As per National Sample Survey Organisation (NSSO) data

† Original notice of the question was received in Hindi.